

Exhibit 300: Capital Asset Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2009-06-30
Date of Last Change to Activities: 2012-07-20
Investment Auto Submission Date: 2012-02-23
Date of Last Investment Detail Update: 2012-02-23
Date of Last Exhibit 300A Update: 2012-03-13
Date of Last Revision: 2012-07-20

Agency: 007 - Department of Defense **Bureau:** 17 - Department of the Navy

Investment Part Code: 01

Investment Category: 00 - Agency Investments

1. Name of this Investment: NAVY ENTERPRISE RESOURCE PLANNING (ERP)

2. Unique Investment Identifier (Ull): 007-000000186

Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

Created to modernize, streamline, and standardize how the Navy manages people, money, programs, equipment and supplies, Navy ERP combines business process reengineering (BPR) and industry best practices to integrate all facets of Navy business operations using a single database to manage shared common data. The program enables Navy compliance with the Chief Financial Officers Act of 1990 and the Department of Defense (DoD) Information Assurance Certification and Accreditation Process. The Navy will realize benefits on many levels. The first major benefit will be realized through legacy system retirement cost avoidance. The system enabled the retirement of 19 systems to date, with 86 more to be retired by 2013, generating a cost avoidance of \$533M over the Future Years Defense Plan (FYDP) (FY10-15). Inventory reductions will also be a benefit as the Single Supply Solution continues to deploy with an expected inventory savings of \$134M over the FYDP and expected Return on Investment (ROI) of 2.54 by FY2023. Data validation at time of entry, electronic archiving, increased electronic workflow, system audit trails and standardized report generation are just some of the benefits that will increase business process efficiencies and improve internal control across Systems Commands (SYSCOMS). Finally, Navy ERP will be the key for financial compliance and enable the Navy to achieve auditability and a single system for funds management across all commands. Navy ERP's functionality is categorized by six Master Scenarios (Budget to Authorize, Post to Report, Plan to Perform,

Acquire to Dispose, Plan to Pay, and Check-in/Check-out) for Business Enterprise Architecture (BEA) alignment. These Master scenarios translate system requirements into interoperable functions that drive reengineering business process effectiveness and efficiency throughout the Navy. The Navy vision calls for a single ERP solution focused on delivering products and services to all commands with minimum investment dollars and resources. The ability to rapidly determine operating force logistical needs and to respond quickly to those requirements through an integrated ERP system is paramount. Navy ERP creates a solution that allows rapid access to information on finances, material, personnel, and other end-to-end process information. The solution is designed to include all common business practices, master data, and organizational elements.

2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.

The Navy requires a fully integrated means for planning, acquiring, and managing the Navy's personnel, financial and material resources. Navy ERP will provide a standard set of tools to Navy organizations that will facilitate business process reengineering and provide interoperable data elements for acquisition, financial, and logistics operations. Navy ERP is a major component of the Navy's Global Combat Support System (GCSS) and will provide a critical link between operating forces and the support echelons. Based on Navy mission needs, and in support of Department of Defense (DoD) and Navy objectives, Navy ERP will fulfill the following required capabilities:

- Optimize Supply Chain Management subject to fiduciary constraints.
- Enable business process improvement of end-to-end product life cycle management processes focused on acquisition, financial, and logistics operations.
- Provide visibility of critical assets and resources.
- Enable organizations to lower the costs of accomplishing their mission and assist Navy leadership in redirecting resources to increase Navy recapitalization accounts.
- Improve efficiency by strengthening asset management to include skilled personnel, material, facilities, and funds.
- Ensure financial information that is accurate, reliable and timely, and supportive of clean audits.
- Provide the required strategic, tactical, and operational support information for decisions.
- Provide multi-source data fusion, information management and analysis/decision making tools.
- Support timely decision-making.
- Improve the Navy's ability to surge, sustain, and reconstitute war fighting capabilities by optimizing the supply chain management process.
- Enhance combat readiness of surface, subsurface, and aviation units through improved Supply Chain Management.
- Enhance material equipment condition, and supportability through improved Supply Chain Management.
- Facilitate an end-to-end solution for receiving requests for resources and for processing those requests to fulfillment.
- Enable managers and line personnel to rapidly determine operating force logistics needs and respond rapidly to requirements through the system's integrated database, visibility and status of transactions.
- Reduce the overall cost to the Navy by applying proven industry best practices and processes and replacing legacy IT systems.

3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.

- Acquisition Decision Memorandum signed by USD AT&L authorizing Full Deployment. Full Deployment Decision (FDD) achieved.
- Navy ERP achieved a major milestone with the

Phase 2 Regional “Go-Live” of the Single Supply Solution. The provided capability increases the ability of Navy supply chain manager to effectively and efficiently provide Sailors and ships items they need every day, replacing multiple non-integrated legacy supply systems. Phase I of the Single Supply Solution, implemented in Feb 2010, replaced the Uniform Inventory Control Point at Naval Supply Systems Command (NAVSUP) Weapons Systems Support Centers and addressed the wholesale functions of the Supply Chain for Navy managed items; Planning, Allowancing, Procurement, Order Fulfillment, Sourcing and Data Management. Phase II replaces various Retail Supply Systems at Naval Air Stations, Fleet Logistic Centers, TRIDENT Refit Facilities, Submarine Support Facilities and Reusable Asset Management across the world.

4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).

- Deploy Financial and Acquisition Functionality to an additional 22,000+ end users at Naval Sea Systems Command (NAVSEA) Working Capital Fund. Go-Live for NAVSEA Working Capital Fund was on 1 October 2011. This is the Navy ERP Program’s largest roll-out to date.
- Continue and complete deployment of Single Supply Solution to Naval Supply Systems Command (NAVSUP).
- Complete Technical Upgrade of SAP Enterprise Central Component (ECC) from legacy 5.0 to current 6.0 version. This will allow the program to improve reliability of the Navy ERP solution and enable more business capability without custom development.
- Complete remaining tasks from the Initial Operational Test & Evaluation and achieve Follow-on Operational Test & Evaluation/Full Interoperability Certification for the Single Supply Solution.
- Go-live at Office of Naval Research (ONR) and Strategic Systems Programs Office (SSP)
- Complete all Navy ERP Program of Record deployment and implementation activities and transition to long term sustainment operations providing ongoing sustainment of the system and end user services for over 71,000 users
- Achieve Full Operational Capability (FOC) and Full Deployment (FD).

5. Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.

2003-09-25

Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$0.0	\$0.0	\$0.0	\$0.0
DME (Excluding Planning) Costs:	\$161.8	\$82.5	\$51.0	\$37.8
DME (Including Planning) Govt. FTEs:	\$38.3	\$47.3	\$22.2	\$6.2
Sub-Total DME (Including Govt. FTE):	\$200.1	\$129.8	\$73.2	\$44.0
O & M Costs:	\$95.0	\$95.2	\$126.9	\$86.7
O & M Govt. FTEs:	\$3.0	\$3.0	\$5.1	\$5.0
Sub-Total O & M Costs (Including Govt. FTE):	\$98.0	\$98.2	\$132.0	\$91.7
Total Cost (Including Govt. FTE):	\$298.1	\$228.0	\$205.2	\$135.7
Total Govt. FTE costs:	\$41.3	\$50.3	\$27.3	\$11.2
# of FTE rep by costs:	269	286	254	112
Total change from prior year final President's Budget (\$)		\$-3.8	\$-0.7	
Total change from prior year final President's Budget (%)		-2.00%	0.00%	

2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

FY12 – Operations & Maintenance, Navy (O&M,N) decrease of \$0.8 million resulted from undistributed funding reductions due to internal Department of the Navy (DON) efficiencies.

FY11 – Operations & Maintenance, Navy (O&M,N) decrease of \$0.5 million resulted from undistributed funding reductions due to internal Department of the Navy (DON) efficiencies.

FY11 – Other Procurement, Navy (OP,N) decrease of \$0.9 million due to Congressional Appropriation reduction due to "ERP Kits" cost growth

Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded		N0002401D7017									
Awarded		N0002408F6302									
Awarded		N0017804D4012									
Awarded		N0017805D4364									
Awarded		N0017805D4364									
Awarded		N0017804D4062									
Awarded		N0003909C9998									
Awarded		N0017804D4020									
Awarded		N0017805D4364									
Awarded		N0003911D0034									
Awarded		N0017810D6087									

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

Navy ERP uses a tailored and unique Earned Value Management (EVM) process. Typically, Program Offices are not required to use EVM to manage government effort. However, product development for this program is managed by the government (the government is acting as System Integrator) with an integrated government/contractor team. Along with system integration responsibility, the government has assumed the responsibility for managing and reporting EVM information at the total program level to include government, contractor support and system

integration efforts. All work is managed through an Integrated Master Schedule (IMS) and the contractor is not required to keep a separate schedule. Additionally, the government has developed a means, using government procured software, to capture all the government and contractor costs necessary for input to the EVM process. EVM data is not a deliverable in any of the program's contracts at this time.

Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-07-20

Section B: Project Execution Data

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
P0186-101	Navy ERP Implementation/Deployment	This project includes all of the remaining Navy ERP Deployments: Naval Supply Systems Command (NAVSUP) (Phase II - Fleet Logistics Centers and Partner Sites) Strategic Systems Program (SSP) Office of Naval Research (ONR) Naval Sea Systems (NAVSEA) Command Navy Working Capital Fund (NWCF).			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M)	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
P0186-101	Navy ERP Implementation/Deployment							

Key Deliverables

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
P0186-101	Naval Sea Systems (NAVSEA) Command Navy Working Capital Fund (NWCF) Deployment	Deploy Navy ERP to Naval Sea Systems (NAVSEA) Command Working Capital Fund sites.	2012-03-31	2012-03-31	2012-03-31	547	0	0.00%
P0186-101	Naval Supply Systems Command (NAVSUP) Phase II Deployment	Deploy Navy ERP Release 1.1 Single Supply Solution to Remaining NAVSUP Fleet Logistics Centers and Partner Sites.	2013-03-31	2013-03-31		547	0	0.00%
P0186-101	Strategic Systems Program (SSP) Command Deployment	Deploy Navy ERP to Strategic Systems Programs (SSP) Command.	2013-03-31	2013-03-31		547	0	0.00%
P0186-101	Office of Naval Research (ONR) Deployment	Deploy Navy ERP to Office of Naval Research (ONR).	2013-03-31	2013-03-31		547	0	0.00%

Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
Availability (Ao).	Percentage	Technology - Reliability and Availability	Over target	99.500000	99.500000	99.780000	99.500000	Monthly
Mean Time Between Mission Critical Failure (MTBMCF).	Time: Hours	Technology - Reliability and Availability	Over target	660.000000	660.000000	1248.020000	660.000000	Quarterly
Mean Time To Recover (MTTR).	Time: Hours	Technology - Reliability and Availability	Under target	8.000000	8.000000	0.450000	8.000000	Quarterly
Operation Failure Detection Rate (OFDR).	Percentage	Technology - Quality Assurance	Over target	85.000000	85.000000	98.700000	85.000000	Quarterly
Mean Data Assurance (MDA).	Percentage	Technology - Reliability and Availability	Over target	99.980000	99.980000	100.000000	99.980000	Quarterly
Percent of Help Desk Service Level Targets (SLT) met.	Percentage	Customer Results - Service Quality	Over target	90.000000	90.000000	91.300000	90.000000	Quarterly
Help Desk Survey Results.	Points achieved (out of 5 possible)	Customer Results - Service Quality	Over target	3.000000	3.000000	4.000000	3.000000	Semi-Annual
Overall Key User Transaction Response Time.	Time: Seconds	Technology - Reliability and Availability	Under target	10.000000	10.000000	0.743000	10.000000	Quarterly